

Community Development Authority

MINUTES

May 11, 2022

Members Present: Austen Conrad, Dan Kolk, Stephanie Brassington, Ken Brost, Jerry Dietzel,
T.J. Jerke

Members Absent:

Staff Present: Andrew Bremer, Kong Thao, Karen Knoll

1. CALL TO ORDER

Brassington called the meeting to order at 7:00 pm.

2. PUBLIC APPEARANCES

None

3. APPROVAL OF MINUTES

- a. Review and possible approval of the Community Development Authority draft minutes from the April 6, 2022 meeting.

Brost moved to approve the April 6, 2022 Community Development Authority minutes.
Kolk seconded the motion. Motion carried 6-0.

4. BUSINESS.

- a. New Member Introductions
Brassington introduced Trustee T.J. Jerke to the committee.
- b. Presentation and discussion regarding a Tax Increment Financing Development Incentives Application from Brett Riemen and Brian Spanos, Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5.

Bremer reviewed the history of the development, and the request as submitted with members. Phase I was 47 residential units and 2 commercial units. Tonight is the review of the TIF incentive application, next Tuesday May 11, 2022 the Plan Commission is

meeting and holding a public hearing on the request, the Village Board is meeting on Tuesday May 24, 2022. Bremer reviewed the proposed timeline of the project.

Brian Spanos and Brett Riemen of Lakestone Holdings LLC addressed CDA members. Spanos reviewed the history of the entire project, along with the proposed development, design, site plan and finishes with members. The building is approximately 12,000 sq.ft. which can be divided into 4 – 6 tenant spaces. Their goal is to have some of the space opened by late spring of 2023. They are looking to add potential mezzanines in a couple of the units. The renderings are changing slightly, it is an added cost to them, but they feel will provide a better product. Riemen indicated they are working on tenant mix to make sure they work well and balance one another at the site.

Spanos reviewed the TIF request and Performa, as included in packets, with CDA members. Spanos indicated they feel they may be a bit low, due to increased costs and future unknowns, and there is some risk on their side but are confident in moving forward. They are working with Sketchworks and Quam Engineering on this project. Bremer reviewed the form of financing on this request is a Pay Go Payment, and explained the process and financing as included in his report in packets.

Jerke inquired about the space that they currently do not have pending leases, is there any interest in any of those units. Spanos advised they do, but most want to see a building rather than plans. Riemen replied once the building is started and it's known there are signed leases, interest increases as those leasing commercial spaces often do so at least six months in advance and are many times not interested until the building is under construction due to prospective tenants concerns of whether a project is actually moving forward. Members discussed the businesses Lakestone is currently in negotiations with and their concerns, needs and possible issues which could arise. They also discussed the original concept when this development started in 2019, structural support, the "but for" specification with members. Bremer inquired on the rental market and where they are at in the community. Riemen reviewed their proposed rent schedules and discussed triple-net rents with members. Riemen reviewed what other commercial properties in McFarland and other communities are renting for and advised it is hard to get commercial to come to McFarland.

Bremer discussed how they are encouraging developers to use solar on their project, he understands it would be more complex on this project due to the multiple units, and roofline, he would like to see them look into solar for the project. In other developments, the CDA and the Village Board were willing to look into additional incentives as a cost share to encourage solar usage, would Lakestone be willing to consider it? Riemen advised due to where costs are at with a project they had not looked into solar, if there is some assistance from the Village, they could look into how solar would work on this project. It could be an incentive for tenants, as they pay their own electricity. They would be willing to talk to providers and look into it. Spanos said there could be some challenges due to the roofline of the building, but they would look into the possibility.

- c. Discussion and possible recommendation to the Village Board to prepare a new Tax Increment District Project Plan for 5979 Siggelkow Road.

Bremer reviewed the history of this project, as included in packets, including how it is currently in the approval process with other committees. There is part of the property that will be dedicated as right of way to the Village, along with issues on the site such as private well and septic which is currently on the site. They would like to see those abandoned and the property connect to new private laterals connected to public utilities. Urso is working with neighboring owners to extend it through Juniper Ridge. There are also improvements proposed for the driveway and parking lot to improve accessibility and parking, and make it ADA compliant. Bremer reviewed the changes they are looking to make inside the building to bring it back to more of its original state.

There is the potential to create a TIF district for solely this site. Bremer reviewed the types of TIF districts, which would be possible, there are not taking any approval action tonight but to see if the CDA is in favor of creating a TIF per the information as provide in packets. Members discussed options for the idea, if this has been done before, if it could create a precedent, the general overview of doing a single parcel TID. Brassington inquired of Bremer if he could put together a calculation showing the administrative costs. Bremer did not feel it would be too hard, as there are auditor statements he would be able to get information from, and he felt this one would be a lower cost TID. Bremer reviewed the costs in creating a TID with members along with the approval processes. Bremer indicated the Landmarks Commission met earlier today and issued a Certificate of Appropriateness for the project.

Brassington moved to recommend to the Village Board they prepare a new Tax Increment District Project Plan for 5979 Siggelkow Road. Motion seconded by Brost. Motion carried 6-0.

- d. Discussion regarding East Side Neighborhood Plan update.

Bremer indicated the community survey is currently underway, it started approximately a week ago. While it is for the Eastside neighborhood update, it is intended to be Village wide as the results can be used for other projects throughout the Village. There was a cover article in the spring/summer Outlook to encourage people to complete the survey and there have been other means, both paper, social media, and local business to help promote the survey. It is available through May 29, 2022. The consultant is attending the May 17, 2022 Planning Commission meeting to discuss land boundaries. There is a joint meeting on Thursday June 23, 2022 at 7:00 p.m. with the CDA and Plan Commission with the consultants.

Brassington moved to move into closed session. Conrad seconded the motion. Motion carried 6-0 on a roll call vote, and moved into closed session at 8:20 p.m.

5. CLOSED SESSION

- a. Discussion and action in order to convene in Closed Session in accordance with Wis. Stats. 19.85(1)(e) to deliberate or negotiate the purchasing of public properties, the investment of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session including the sale of property and the investment of public funds regarding:
 - 1) A Tax Increment Financing Development Incentives Application from Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5.
 - 2) Acquisition of property located at 5802 Main Street, 5804 Main Street, and 5307 Hough Street, Tax Increment District #4.
- b. Discussion and action to reconvene in Open Session.

Brassington moved to reconvene in open session. Brost seconded the motion. Motion carried 6-0. Meeting reconvened into open session at 9:15 p.m.

6. BUSINESS

- a. Discussion and possible action to make a recommendation to the Village Board regarding a Tax Increment Financing Development Incentives Application from Brett Riemen and Brian Spanos, Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5.

Brassington moved to make a recommendation to the Village Board to accept a Tax Increment Financing Development Incentives Application from Brett Riemen and Brian Spanos, Lakestone Holdings LLC, for Phase II of the Atwater Development located at 4719 Farwell Street, Tax Increment District #5 as submitted. Motion was seconded by Jerke. Motion carried 6-0.

7. SCHEDULE NEXT MEETING DATE.

- a. Wednesday June 8, 2022 at 7:00pm.

8. ADJOURNMENT.

Brost moved to adjourn. Kolk seconded the motion. Motion carried 6-0. Meeting adjourned at 9:18 p.m.